

House Bill 709 (AS PASSED HOUSE AND SENATE)

By: Representatives Ashe of the 42nd, Post 2, Holmes of the 48th, Post 1, McClinton of the 59th, Post 1, and Smyre of the 111th

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 28 of the Official Code of Georgia Annotated, relating to the General
2 Assembly, Title 36 of the Official Code of Georgia Annotated, relating to local government,
3 and Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, so
4 as to enact the "State and Local Taxation, Financing, and Service Delivery Revision Act of
5 2004"; to provide for a short title; to provide for the comprehensive revision of provisions
6 relating to state and local taxation, financing, and service delivery; to change certain
7 provisions regarding the function of the Georgia Commission on Interstate Cooperation; to
8 change certain provisions regarding the status of the Council of State Governments and
9 certain related organizations; to change certain provisions regarding the homestead
10 exemption by qualified disabled veterans, filing requirements, periodic substantiation of
11 eligibility, and persons eligible without application; to change certain provisions regarding
12 limitations with respect to local sales and use taxes; to provide for certain exemptions; to
13 change certain provisions regarding the joint county and municipal sales and use tax and
14 provide for an optional rate increase to 2 percent with respect to imposition by certain
15 consolidated governments; to provide for imposition of such tax at the rate of 2 percent by
16 consolidated governments; to provide for procedures, conditions, and limitations; to provide
17 for reduction or termination; to provide for additional procedures, conditions, and limitations
18 with respect to certain water and sewer projects or costs with respect to the special county
19 1 percent sales and use tax; to provide for the levy and collection of a municipal water and
20 sewer projects or costs sales and use tax; to provide for definitions; to provide for the rate
21 and manner of imposition of such tax; to provide for applicability to certain sales; to provide
22 for powers, duties, and authority of municipal governing authorities with respect to such tax;
23 to provide for powers, duties, and authority of the state revenue commissioner with respect
24 to such tax; to provide for collection and administration of such tax; to provide for returns;
25 to provide for distribution and expenditure of proceeds; to provide for a method for
26 discontinuation of such tax; to provide for comprehensive provisions to provide funding to
27 local governments for service delivery costs through certain sales and use taxation; to
28 provide for comprehensive provisions to address changes in land use classification which

1 increase service delivery and infrastructure costs to local government; to provide for the
 2 creation of special districts; to provide a special district sales and use tax; to provide for
 3 definitions; to provide for the rate and manner of imposition of such tax; to provide for
 4 collection and administration of such tax; to provide for the issuance of general obligation
 5 debt for certain projects; to provide for use of the proceeds of such tax; to provide for returns;
 6 to provide for distribution and expenditure of proceeds; to change certain provisions
 7 regarding annexation; to change certain provisions regarding land use classification
 8 objections; to require annual publication of certain information regarding collection and
 9 expenditure of the proceeds of the special purpose 1 percent sales and use tax; to exempt
 10 from ad valorem taxation certain motor vehicles owned by persons who have been awarded
 11 the Medal of Honor; to provide for related matters; to provide for effective dates; to provide
 12 for applicability; to repeal conflicting laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

14 **SECTION 1.**

15 This Act shall be known and may be cited as the "State and Local Taxation, Financing, and
 16 Service Delivery Revision Act of 2004."

17 **SECTION 2.**

18 Title 28 of the Official Code of Georgia Annotated, relating to the General Assembly, is
 19 amended by striking paragraph (1) of Code Section 28-6-3, relating to functions of the
 20 Georgia Commission on Interstate Cooperation, and inserting in its place a new paragraph
 21 (1) to read as follows:

22 "(1) Carry forward the participation of this state as a member of the Council of State
 23 Governments and of the Southern Legislative Conference;"

24 **SECTION 3.**

25 Said title is further amended by striking Code Section 28-6-7, relating to the status of the
 26 Council of State Governments, and inserting in its place a new Code Section 28-6-7 to read
 27 as follows:

28 "28-6-7.

29 The Council of State Governments, the Council of State Governments - Clairmont Road,
 30 L. L. C. (of which the Council of State Governments is the sole member), and the Southern
 31 Legislative Conference are each is declared to be a joint governmental agency of this state
 32 and of the other states which cooperate through it."

SECTION 4.

Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is amended in Code Section 48-5-48, relating to homestead exemption by qualified disabled veterans, filing requirements, periodic substantiation of eligibility, and persons eligible without application, by striking in their entirety subsections (b) and (c) and inserting in lieu thereof the following:

"(b) Any disabled veteran as defined in any paragraph of subsection (a) of this Code section who is a citizen and resident of Georgia is granted an exemption of the greater of \$32,500.00 or the maximum amount which may be granted to a disabled veteran under Section 2102 of Title 38 of the United States Code, as amended, on his or her homestead which such veteran owns and actually occupies as a residence and homestead, such exemption being from all ad valorem taxation for state, county, municipal, and school purposes. As of January 1, ~~1999~~ 2004, the maximum amount which may be granted to a disabled veteran under the above-stated federal law is ~~\$43,000.00~~ \$50,000.00. The value of all property in excess of the exempted amount cited above shall remain subject to taxation. The unremarried surviving spouse or minor children of any such disabled veteran as defined in this Code section shall also be entitled to an exemption of the greater of \$32,500.00 or the maximum amount which may be granted to a disabled veteran under Section 2102 of Title 38 of the United States Code, as amended, on the homestead so long as the unremarried surviving spouse or minor children continue actually to occupy the home as a residence and homestead, such exemption being from all ad valorem taxation for state, county, municipal, and school purposes. As of January 1, ~~1999~~ 2004, the maximum amount which may be granted to the unremarried surviving spouse or minor children of any such disabled veteran under the above-stated federal law is ~~\$43,000.00~~ \$50,000.00. The value of all property in excess of such exemption granted to such unremarried surviving spouse or minor children shall remain subject to taxation.

(c)(1) Any disabled veteran qualifying pursuant to paragraph (1) or (2) of subsection (a) of this Code section for the homestead exemption provided for in this Code section shall file with the tax commissioner or tax receiver a letter from the Department of Veterans Affairs or the Department of Veterans Service stating the qualifying disability.

(2) Any disabled veteran qualifying pursuant to paragraph (3) of subsection (a) of this Code section for the homestead exemption provided for in this Code section shall file with the tax commissioner or tax receiver a copy of his DD form 214 (discharge papers from his military records) along with a letter from a doctor who is licensed to practice medicine in this state stating that he is disabled due to loss or loss of use of both lower extremities such as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair; due to blindness in both eyes, having only light perception, together with

1 the loss or loss of use of one lower extremity; or due to the loss or loss of use of one
 2 lower extremity together with residuals of organic disease or injury which so affect the
 3 functions of balance or propulsion as to preclude locomotion without resort to a
 4 wheelchair. Prior to approval of an exemption, a county board of tax assessors may
 5 require the applicant to provide not more than two additional doctors' letters if the board
 6 is in doubt as to the applicant's eligibility for the exemption.

7 (3) Any disabled veteran qualifying pursuant to paragraph (4) of subsection (a) of this
 8 Code section for the homestead exemption provided for in this Code section shall file
 9 with the tax commissioner or tax receiver a letter from a doctor who is licensed to
 10 practice medicine in this state stating the qualifying disability. Prior to approval of an
 11 exemption, a county board of tax assessors may require the applicant to provide not more
 12 than two additional doctors' letters if the board is in doubt as to the applicant's eligibility
 13 for the exemption.

14 (4) Any disabled veteran qualifying pursuant to paragraph (5) of subsection (a) of this
 15 Code section for the homestead exemption provided for in this Code section shall file
 16 with the tax commissioner or tax receiver a letter from the Department of Veterans
 17 Affairs or the Department of Veterans Service stating the eligibility for such housing
 18 assistance."

19 SECTION 5.

20 Said title is further amended by striking subsections (b) and (c) of Code Section 48-8-6,
 21 relating to limitations on the maximum amount of local sales and use taxes, and inserting in
 22 their place new subsections (b), (c), and (d) to read as follows:

23 "(b) There shall not be imposed in any jurisdiction in this state or on any transaction in this
 24 state local sales taxes, local use taxes, or local sales and use taxes in excess of 2 percent.
 25 For purposes of this prohibition, the taxes affected are any sales tax, use tax, or sales and
 26 use tax which is levied in an area consisting of less than the entire state, however
 27 authorized, including such taxes authorized by or pursuant to constitutional amendment,
 28 except that the following taxes shall not count toward or be subject to such 2 percent
 29 limitation:

30 (1) A sales and use tax for educational purposes exempted from such limitation under
 31 Article VIII, Section VI, Paragraph IV of the Constitution;

32 (2) Any tax levied for purposes of a metropolitan area system of public transportation,
 33 as authorized by the amendment to the Constitution set out at Georgia Laws, 1964, page
 34 1008; the continuation of such amendment under Article XI, Section I, Paragraph IV(d)
 35 of the Constitution; and the laws enacted pursuant to such constitutional amendment;
 36 provided, however, that the exception provided for under this paragraph shall only apply

1 in a county in which a tax is being imposed under subparagraph (a)(1)(D) of Code
 2 Section 48-8-111 solely in whole or in part for the purpose or purposes of a water capital
 3 outlay project or projects, a sewer capital outlay project or projects, a water and sewer
 4 capital outlay project or projects, ~~or a combination of such projects and such exception~~
 5 water and sewer projects and costs as defined under paragraph (3) of Code Section
 6 48-8-200, or any combination thereof and with respect to which the county has entered
 7 into an intergovernmental contract with a municipality, in which the average waste-water
 8 system flow of such municipality is not less than 85 million gallons per day, allocating
 9 proceeds to such municipality to be used solely for water and sewer projects and costs as
 10 defined under paragraph (3) of Code Section 48-8-200. The exception provided for under
 11 this paragraph shall apply only during the period the tax under said subparagraph
 12 (a)(1)(D) is in effect. The exception provided for under this paragraph shall not apply in
 13 any county in which a tax is being imposed under Article 2A of this chapter;

14 (3) In the event of a rate increase imposed pursuant to Code Section 48-8-96, only the
 15 amount in excess of the initial 1 percent sales and use tax and in the event of a newly
 16 imposed tax pursuant to Code Section 48-8-96, only the amount in excess of a 1 percent
 17 sales and use tax;

18 (4) A sales and use tax levied under Article 4 of this chapter.

19 If the imposition of any otherwise authorized local sales tax, local use tax, or local sales
 20 and use tax would result in a tax rate in excess of that authorized by this subsection, then
 21 such otherwise authorized tax may not be imposed.

22 (c) Where the exception specified in paragraph (2) of subsection (b) of this Code section
 23 applies, the tax imposed under subparagraph (a)(1)(D) of Code Section 48-8-111 shall not
 24 apply to:

25 (1) ~~The furnishing for value to the public of any room or rooms, lodgings, or~~
 26 ~~accommodations which is subject to taxation under Article 3 of Chapter 13 of this title~~
 27 Reserved; and

28 (2) The sale of motor vehicles.

29 (d) Where the exception specified in paragraph (2) of subsection (b) of this Code section
 30 applies, on and after July 1, 2007, the aggregate amount of all excise taxes imposed under
 31 paragraph (5) of subsection (a) of Code Section 48-13-51 and all sales and use taxes shall
 32 not exceed 14 percent."

33 SECTION 6.

34 Said title is further amended by adding a new Code section immediately following Code
 35 Section 48-8-95, to be designated Code Section 48-8-96, to read as follows:

1 "48-8-96.

2 (a) With respect to any consolidated government created by the consolidation of a county
3 and one or more municipalities in which consolidated government homestead property
4 (exclusive of improvements) is valued for purposes of local ad valorem taxation according
5 to a base year assessed value which does not change so long as the property is actually
6 occupied by the same owner as a homestead, the provisions of this Code section shall
7 control over any conflicting provisions of Article 1 of this chapter or this article.

8 (b) If the tax authorized by this article is in effect in the special district containing a
9 consolidated government referred to in subsection (a) of this Code section, then the rate of
10 tax imposed under this article in such special district may be increased from 1 percent to
11 2 percent if such increase is approved by:

12 (1) A resolution of the governing authority of the consolidated government in the same
13 manner as otherwise required for the initial 1 percent sales tax pursuant to Code Section
14 48-8-84; and

15 (2) A referendum conducted in the same manner as otherwise required for the initial 1
16 percent sales tax pursuant to Code Section 48-8-85, except that the ballot shall have
17 written or printed thereon the following:

18 '() YES Shall the retail sales and use tax levied within the special district within

19 () NO _____ County be increased from 1 percent to 2 percent?'

20 (c) Such increased tax rate shall become effective on the first day of the next succeeding
21 calendar quarter which begins more than 80 days after the date of the election at which
22 such increase was approved by the voters. The proceeds of the increased tax shall be
23 divided in the same proportions as the original tax.

24 (d) Such increased tax rate may be decreased from 2 percent to 1 percent if such decrease
25 is approved by:

26 (1) A resolution of the governing authority of the consolidated government in the same
27 manner as otherwise required under Code Section 48-8-92; and

28 (2) A referendum conducted in the same manner as otherwise required for
29 discontinuation of the tax under Code Section 48-8-92, except that the ballot shall have
30 printed or written thereon the following:

31 '() YES Shall the retail sales and use tax levied within the special district within

32 () NO _____ County be decreased from 2 percent to 1 percent?'

33 (e) Such decreased tax rate shall become effective on the first day of the second calendar
34 quarter following the month in which the commissioner receives certification of the result
35 of the election.

1 (f) If the tax authorized by this article is to be newly imposed in the special district
 2 containing a consolidated government referred to in subsection (a) of this Code section,
 3 then such tax may be imposed in such special district at the rate of 2 percent if such rate
 4 is approved by:

5 (1) A resolution of the governing authority of the consolidated government in the same
 6 manner as otherwise required pursuant to Code Section 48-8-84; and

7 (2) A referendum conducted in the same manner as otherwise required pursuant to Code
 8 Section 48-8-85, except that the ballot shall have written or printed thereon the following:

9 '() YES Shall a retail sales and use tax of 2 percent be levied within the special

10 () NO district within _____ County?'

11 (g) Such 2 percent tax may be discontinued if such discontinuation is approved by:

12 (1) A resolution of the governing authority of the consolidated government in the same
 13 manner as otherwise required under Code Section 48-8-92; and

14 (2) A referendum conducted in the same manner as otherwise required for
 15 discontinuation of the tax under Code Section 48-8-92, except that the ballot shall have
 16 printed or written thereon the following:

17 '() YES Shall the retail sales and use tax levied within the special district within

18 () NO _____ County be terminated?'

19 (h)(1) In the case of increase from 1 percent to 2 percent, the amount in excess of the
 20 initial 1 percent sales and use tax shall not apply to the furnishing for value to the public
 21 of any room or rooms, lodgings, or accommodations which are subject to taxation under
 22 Article 3 of Chapter 13 of this title or to the sale of motor vehicles.

23 (2) In the case of a newly imposed 2 percent sales and use tax under this Code section,
 24 only the amount in excess of a 1 percent sales and use tax shall not apply to the furnishing
 25 for value of any room or rooms, lodgings, or accommodations which are subject to tax
 26 under Article 3 of Chapter 13 of this title or to the sale of motor vehicles.

27 (i) In all respects not otherwise provided for in this Code section, the levy of a tax under
 28 this article by a consolidated government referred to in subsection (a) of this Code section
 29 shall be in the same manner as the levy of the tax by any other county."

30 SECTION 7.

31 Said title is further amended by adding a new article at the end of Chapter 8, to be designated
 32 Article 4, to read as follows:

"ARTICLE 4

48-8-200.

As used in this article, the term:

(1) 'Building and construction materials' means all building and construction materials, supplies, fixtures, or equipment, any combination of such items, and any other leased or purchased articles when the materials, supplies, fixtures, equipment, or articles are to be utilized or consumed during construction or are to be incorporated into construction work pursuant to a bona fide written construction contract.

(2) 'Dealer' means a dealer as defined in paragraph (3) of Code Section 48-8-2.

(3) 'Municipality' means a municipality in which the average waste-water flow of such municipality is not less than 85 million gallons per day.

(4) 'Water and sewer projects and costs' means:

(A) Any capital outlay project or projects for the development, storage, treatment, purification, or distribution of water;

(B) Any capital outlay project or projects for storm-water and sewage collection and disposal systems;

(C)(i) With respect to any project or projects provided for under subparagraph (A) or

(B) of this paragraph:

(I) Any cost of project or cost of any project as defined under paragraph (3) of Code Section 50-23-4; and

(II) Any maintenance and operation costs.

(ii) In no event shall any expenditure of tax proceeds pursuant to this subparagraph exceed annually an amount equal to the annual debt service payments of such municipality with respect to revenue bond indebtedness incurred for drinking water projects and storm-water and sewage collection and disposal projects; or

(D) Any combination of any of the foregoing.

48-8-201.

(a)(1) In any county in which the provisions of paragraph (2) of subsection (b) of Code Section 48-8-6 will be applicable if the tax under Part 1 of Article 3 of this chapter is imposed pursuant to subparagraph (a)(1)(D) of Code Section 48-8-111 in whole or in part for the purpose or purposes of a water capital outlay project or projects, a sewer capital outlay project or projects, a water and sewer capital outlay project or projects, or a combination of such projects, the governing authority of a municipality, the majority of which is located wholly or partially in such county, may deliver or mail a written copy of a resolution of such municipal governing authority calling for the imposition by the

1 county of the tax under Part 1 of Article 3 of this chapter pursuant to subparagraph
2 (a)(1)(D) of Code Section 48-8-111 in whole or in part for the purpose or purposes of a
3 water capital outlay project or projects, a sewer capital outlay project or projects, a water
4 and sewer capital outlay project or projects, water and sewer projects and costs, or any
5 combination thereof.

6 (2) Within ten days following the date of delivery of such resolution to the governing
7 authority of such county, the governing authorities of such county and municipality may
8 enter into an intergovernmental contract as authorized by Article IX, Section III of the
9 Constitution which shall specify the allocation of the proceeds of the tax between such
10 county and municipality according to the ratio the population of such municipality bears
11 to the population of such county according to the United States decennial census of 2000
12 or any future such census so that such municipality's share of the total net proceeds shall
13 be the percentage of the total population of such municipality divided by the total
14 population of such county. Such intergovernmental contract shall specify that the
15 proceeds allocated to the municipality shall only be expended for water and sewer
16 projects and costs.

17 (3) Immediately following the entering into of the intergovernmental contract under
18 paragraph (2) of this subsection, the governing authority of such county may select the
19 next practicable date authorized under Code Section 21-2-540 for conducting a special
20 election on the question of imposing such tax under Part 1 of Article 3 of this chapter.
21 The governing authority of such county shall notify the county election superintendent
22 by forwarding to the superintendent a copy of the resolution of the governing authority
23 of such municipality calling for the imposition of the tax in such county. Following
24 receipt of the resolution, the election superintendent shall issue the appropriate call for
25 an election for the purpose of submitting the question of the imposition of the tax to the
26 voters of such county in the manner specified in Code Section 48-8-111. If approved in
27 such referendum, the tax shall be levied and imposed as provided in this Code section and
28 Part 1 of Article 3 of this chapter.

29 (b) If the governing authority of the county takes no action under paragraph (2) or (3) of
30 subsection (a) of this Code section, it shall provide notice thereof by resolution to the
31 governing authority of the municipality not later than ten days following the date of
32 delivery of such municipality's resolution to the county under subsection (a) of this Code
33 section. Upon receipt by the governing authority of the municipality of such county
34 resolution or if timely notice of no action is not provided by the governing authority of the
35 county to the governing authority of the municipality or if the county referendum is
36 conducted but is not approved by the voters, the governing authority of any municipality
37 in this state may, subject to the requirement of referendum approval and the other

1 requirements of this article, immediately commence proceedings to seek to impose within
 2 the municipality a special sales and use tax for a limited period of time for the purpose of
 3 funding water and sewer projects and costs. Any tax imposed under this article shall be at
 4 the rate of 1 percent. Except as otherwise provided in this article, a tax imposed under this
 5 article shall correspond to the tax imposed by Article 1 of this chapter.

6 (c) In the event a tax imposed under this article is imposed only by the municipality:

7 (1) No item or transaction which is not subject to taxation under Article 1 of this chapter
 8 shall be subject to a tax imposed under this article, except that a tax imposed under this
 9 article shall apply to:

10 (A) Sales of motor fuels as that term is defined by Code Section 48-9-2;

11 (B) The sale of food and beverages as provided for in division (57)(D)(i) of Code
 12 Section 48-8-3;

13 (C) The sale of natural or artificial gas used directly in the production of electricity
 14 which is subsequently sold, notwithstanding paragraph (70) of Code Section 48-8-3;
 15 and

16 (D) The furnishing for value to the public of any room or rooms, lodgings, or
 17 accommodations which is subject to taxation under Article 3 of Chapter 13 of this title;
 18 and

19 (2) A tax imposed under this article shall not apply to the sale of motor vehicles.

20 (d) On and after July 1, 2007, the aggregate amount of all excise taxes imposed under
 21 paragraph (5) of subsection (a) of Code Section 48-13-51 and all sales and use taxes shall
 22 not exceed 14 percent.

23 48-8-202.

24 (a) A municipal governing authority voting to impose the tax authorized by this article shall
 25 notify the municipal election superintendent by forwarding to the superintendent a copy of
 26 the resolution or ordinance of the municipal governing authority calling for the imposition
 27 of the tax. Such ordinance or resolution shall specify the following:

28 (1) The maximum period of time of the tax, to be stated in calendar years or calendar
 29 quarters and not to exceed four years;

30 (2) The aggregate maximum cost of the project or projects and maintenance and
 31 operation costs which will be funded from the proceeds of the tax, which aggregate
 32 maximum cost shall also be the maximum amount of net proceeds to be raised by the tax;
 33 and

34 (3) If general obligation debt is to be issued in conjunction with the imposition of the tax,
 35 as authorized by this article, the principal amount of the debt to be issued, the interest rate

1 or rates or the maximum interest rate or rates which such debt is to bear, and the amount
2 of principal to be paid in each year during the life of the debt.

3 (b) Upon receipt of the resolution or ordinance, the municipal election superintendent shall
4 issue the call for an election for the purpose of submitting the question of the imposition
5 of the tax to the voters of the municipality. The municipal election superintendent shall
6 issue the call and shall conduct the election on a date and in the manner authorized under
7 Code Section 21-2-540. The municipal election superintendent shall cause the date and
8 purpose of the election to be published once a week for four weeks immediately preceding
9 the date of the election in the legal organ of the county in which the majority of the
10 municipal population resides or in a newspaper having general circulation in the
11 municipality at least equal to that of the legal organ. If general obligation debt is to be
12 issued in conjunction with the imposition of the tax, the notice published by the municipal
13 election superintendent shall also include, in such form as may be specified by the
14 municipal governing authority, the principal amount of the debt, the rate or rates of interest
15 or the maximum rate or rates of interest the debt will bear, and the amount of principal to
16 be paid in each year during the life of the debt; and such publication of notice by the
17 municipal election superintendent shall take the place of the notice otherwise required by
18 Code Section 36-80-11 or by subsection (b) of Code Section 36-82-1, which notice shall
19 not be required.

20 (c)(1) The ballot shall have written or printed thereon the following:

21 '() YES Shall a special 1 percent sales and use tax be imposed in _____ for
22 a period of time not to exceed _____ and for the raising of not
23 () NO more than \$_____ for the purpose of funding water and sewer projects
24 and costs?'

25 (2) If debt is to be issued, the ballot shall also have written or printed thereon, following
26 the language specified by paragraph (1) of this subsection, the following:

27 'If imposition of the tax is approved by the voters, such vote shall also constitute
28 approval of the issuance of general obligation debt of _____ in the principal
29 amount of \$_____ for the above purpose.'

30 (d) All persons desiring to vote in favor of imposing the tax shall vote 'Yes' and all persons
31 opposed to levying the tax shall vote 'No.' If more than one-half of the votes cast are in
32 favor of imposing the tax, then the tax shall be imposed as provided in this article;
33 otherwise, the tax shall not be imposed and the question of imposing the tax shall not again
34 be submitted to the voters of the municipality until after 12 months immediately following
35 the month in which the election was held; provided, however, that if an election date
36 authorized under Code Section 21-2-540 occurs during the twelfth month immediately
37 following the month in which such election was held, the question of imposing the tax may

1 be submitted to the voters of the municipality on such date. The municipal election
2 superintendent shall hold and conduct the election under the same rules and regulations as
3 govern special elections. The municipal election superintendent shall canvass the returns,
4 declare the result of the election, and certify the result to the Secretary of State and to the
5 commissioner. The expense of the election shall be paid from municipal funds.

6 (e)(1) If the proposal includes the authority to issue general obligation debt and if more
7 than one-half of the votes cast are in favor of the proposal, then the authority to issue such
8 debt in accordance with Article IX, Section V, Paragraph I of the Constitution is given
9 to the proper officers of the municipality; otherwise such debt shall not be issued. If the
10 authority to issue such debt is so approved by the voters, then such debt may be issued
11 without further approval by the voters.

12 (2) If the issuance of general obligation debt is included and approved as provided in this
13 Code section, then the governing authority of the municipality may incur such debt either
14 through the issuance and validation of general obligation bonds or through the execution
15 of a promissory note or notes or other instrument or instruments. If such debt is incurred
16 through the issuance of general obligation bonds, such bonds and their issuance and
17 validation shall be subject to Articles 1 and 2 of Chapter 82 of Title 36 except as
18 specifically provided otherwise in this article. If such debt is incurred through the
19 execution of a promissory note or notes or other instrument or instruments, no validation
20 proceedings shall be necessary and such debt shall be subject to Code Sections 36-80-10
21 through 36-80-14 except as specifically provided otherwise in this article. In either event,
22 such general obligation debt shall be payable first from the separate account in which are
23 placed the proceeds received by the municipality from the tax authorized by this article.
24 Such general obligation debt shall, however, constitute a pledge of the full faith, credit,
25 and taxing power of the municipality; and any liability on such debt which is not satisfied
26 from the proceeds of the tax authorized by this article shall be satisfied from the general
27 funds of the municipality.

28 48-8-203.

29 (a)(1) If the imposition of the tax is approved by referendum, the tax shall be imposed on
30 the first day of the next succeeding calendar quarter which begins more than 70 days after
31 the date of the election at which the tax was approved by the voters.

32 (2) With respect to services which are regularly billed on a monthly basis, however, the
33 resolution or ordinance imposing the tax shall become effective with respect to and the
34 tax shall apply to the first regular billing period coinciding with or following the effective
35 date specified in paragraph (1) of this subsection. A certified copy of the ordinance or

1 resolution imposing the tax shall be forwarded to the commissioner so that it will be
2 received within five business days after certification of the election results.

3 (b) The tax shall cease to be imposed on the earliest of the following dates:

4 (1) If the resolution or ordinance calling for the imposition of the tax provided for the
5 issuance of general obligation debt and such debt is the subject of validation proceedings,
6 as of the end of the first calendar quarter ending more than 80 days after the date on
7 which a court of competent jurisdiction enters a final order denying validation of such
8 debt;

9 (2) On the final day of the maximum period of time specified for the imposition of the
10 tax; or

11 (3) As of the end of the calendar quarter during which the commissioner determines that
12 the tax will have raised revenues sufficient to provide to the municipality net proceeds
13 equal to or greater than the amount specified as the maximum amount of net proceeds to
14 be raised by the tax.

15 (c)(1) No municipality shall impose at any time more than a single 1 percent tax under
16 this article.

17 (2) A municipality in which a tax authorized by this article is in effect may, while the tax
18 is in effect, adopt a resolution or ordinance calling for a reimposition of a tax as
19 authorized by this article upon the termination of the tax then in effect; and a referendum
20 may be held for this purpose while the tax is in effect. Proceedings for such reimposition
21 shall not be conducted more than two times; shall be in the same manner as proceedings
22 for the initial imposition of the tax as provided for in Code Section 48-8-202 and shall be
23 solely within the discretion of the governing authority of the municipality without regard
24 to any requirement of county participation otherwise specified under subsection (a) of
25 Code Section 48-8-201. Such newly authorized tax shall not be imposed until the
26 expiration of the tax then in effect; provided, however, that in the event of emergency
27 conditions under which a municipality is unable to conduct a referendum so as to
28 continue the tax then in effect without interruption, the commissioner may, if feasible
29 administratively, waive the limitations of subsection (a) of this Code section to the
30 minimum extent necessary so as to permit the reimposition of a tax, if otherwise
31 approved as required under this Code section, without interruption, upon the expiration
32 of the tax then in effect.

33 (3) Following the expiration of a tax under this article which has been renewed two times
34 under paragraph (2) of this subsection, a municipality shall not be authorized to initiate
35 proceedings for the reimposition of a tax under this article or to reimpose such tax.

1 48-8-204.

2 A tax levied pursuant to this article shall be exclusively administered and collected by the
3 commissioner for the use and benefit of the municipality imposing the tax. Such
4 administration and collection shall be accomplished in the same manner and subject to the
5 same applicable provisions, procedures, and penalties provided in Article 1 of this chapter;
6 provided, however, that all moneys collected from each taxpayer by the commissioner shall
7 be applied first to such taxpayer's liability for taxes owed the state; and provided, further,
8 that the commissioner may rely upon a representation by or in behalf of the municipality
9 or the Secretary of State that such a tax has been validly imposed, and the commissioner
10 and the commissioner's agents shall not be liable to any person for collecting any such tax
11 which was not validly imposed. Dealers shall be allowed a percentage of the amount of
12 the tax due and accounted for and shall be reimbursed in the form of a deduction in
13 submitting, reporting, and paying the amount due if such amount is not delinquent at the
14 time of payment. The deduction shall be at the rate and subject to the requirements
15 specified under subsections (b) through (f) of Code Section 48-8-50.

16 48-8-205.

17 Each sales and use tax return remitting sales and use taxes collected under this article shall
18 separately identify the location of each retail establishment at which any of the sales and
19 use taxes remitted were collected and shall specify the amount of sales and the amount of
20 taxes collected at each establishment for the period covered by the return in order to
21 facilitate the determination by the commissioner that all sales and use taxes imposed by this
22 article are collected and distributed according to situs of sale.

23 48-8-206.

24 The proceeds of the tax collected by the commissioner in each municipality under this
25 article shall be disbursed as soon as practicable after collection as follows:

- 26 (1) One percent of the amount collected shall be paid into the general fund of the state
27 treasury in order to defray the costs of administration; and
28 (2) Except as otherwise provided in subsection (b) of this Code section, the remaining
29 proceeds of the tax shall be distributed to the governing authority of the municipality
30 imposing the tax.

31 48-8-207.

32 Where a local sales or use tax has been paid with respect to tangible personal property by
33 the purchaser either in another local tax jurisdiction within the state or in a tax jurisdiction
34 outside the state, the tax may be credited against the tax authorized to be imposed by this

1 article upon the same property. If the amount of sales or use tax so paid is less than the
2 amount of the use tax due under this article, the purchaser shall pay an amount equal to the
3 difference between the amount paid in the other tax jurisdiction and the amount due under
4 this article. The commissioner may require such proof of payment in another local tax
5 jurisdiction as the commissioner deems necessary and proper. No credit shall be granted,
6 however, against the tax imposed under this article for tax paid in another jurisdiction if the
7 tax paid in such other jurisdiction is used to obtain a credit against any other local sales and
8 use tax levied in the municipality or in a special district which includes the municipality;
9 and taxes so paid in another jurisdiction shall be credited first against the tax levied under
10 Article 2 of this chapter, if applicable, then against the tax levied under Article 3 of this
11 chapter, if applicable, then against the tax levied under Article 2A of this chapter, if
12 applicable, and then against the tax levied under this article.

13 48-8-208.

14 No tax provided for in this article shall be imposed upon the sale of tangible personal
15 property which is ordered by and delivered to the purchaser at a point outside the
16 geographical area of the municipality in which the tax is imposed regardless of the point
17 at which title passes, if the delivery is made by the seller's vehicle, United States mail, or
18 common carrier or by private or contract carrier licensed by the Federal Highway
19 Administration or the Georgia Public Service Commission.

20 48-8-209.

21 No tax provided for in this article shall be imposed upon the sale or use of building and
22 construction materials when the contract pursuant to which the materials are purchased or
23 used was advertised for bid prior to the voters' approval of the levy of the tax and the
24 contract was entered into as a result of a bid actually submitted in response to the
25 advertisement prior to approval of the levy of the tax.

26 48-8-210.

27 The commissioner shall have the power and authority to promulgate such rules and
28 regulations as shall be necessary for the effective and efficient administration and
29 enforcement of the collection of the tax authorized to be imposed by this article.

30 48-8-211.

31 The tax authorized by this article shall be in addition to any other local sales and use tax.
32 The imposition of any other local sales and use tax within a county, municipality, or special
33 district shall not affect the authority of a municipality to impose the tax authorized by this

1 article and the imposition of the tax authorized by this article shall not affect the imposition
2 of any otherwise authorized local sales and use tax within the county, municipality, or
3 special district.

4 48-8-212.

5 (a) The proceeds received from the tax authorized by this article shall be used by the
6 municipality exclusively for:

7 (1) Water and sewer projects and costs;

8 (2) The repayment of general obligation indebtedness incurred in conjunction with the
9 imposition of the tax authorized by this article; or

10 (3) The repayment of any loans made to such municipality with respect to such water and
11 sewer projects and costs. Such proceeds shall be kept in a separate account from other
12 funds of the municipality and shall not in any manner be commingled with other funds
13 of the municipality prior to expenditure.

14 (b) The governing authority of the municipality shall maintain a record of each and every
15 water and sewer project and cost for which the proceeds of the tax are used. In each annual
16 audit a schedule shall be included which shows for each ongoing such project the original
17 estimated cost, the current estimated cost if it is not the original estimated cost, amounts
18 expended in prior years, and amounts expended in the current year. The auditor shall verify
19 and test expenditures sufficient to provide assurances that the schedule is fairly presented
20 in relation to the financial statements. The auditor's report on the financial statements shall
21 include an opinion, or disclaimer of opinion, as to whether the schedule is presented fairly
22 in all material respects in relation to the financial statements taken as a whole.

23 (c) No general obligation debt shall be issued in conjunction with the imposition of the tax
24 unless the municipal governing authority determines that, and if the debt is to be validated
25 it is demonstrated in the validation proceedings that, during each year in which any
26 payment of principal or interest on the debt comes due the municipality will receive from
27 the tax authorized by this article net proceeds sufficient to fully satisfy such liability.
28 General obligation debt issued under this article shall be payable first from the separate
29 account in which are placed the proceeds received by the municipality from the tax
30 authorized by this article. Such debt, however, shall constitute a pledge of the full faith,
31 credit, and taxing power of the municipality; and any liability on said debt which is not
32 satisfied from the proceeds of the tax authorized by this article shall be satisfied from the
33 general funds of the municipality.

34 (d) The resolution or ordinance calling for imposition of the tax authorized by this article
35 may specify that all of the proceeds of the tax will be used for payment of general
36 obligation debt issued in conjunction with the imposition of the tax. If the resolution or

1 ordinance so provides, then such proceeds shall be used solely for such purpose except as
2 provided in subsection (f) of this Code section.

3 (e) The resolution or ordinance calling for the imposition of the tax authorized by this
4 article may specify that a part of the proceeds of the tax will be used for payment of general
5 obligation debt issued in conjunction with the imposition of the tax. In such a case no part
6 of the net proceeds from the tax received in any year shall be used for other water and
7 sewer projects until all debt service requirements of the general obligation debt for that
8 year have first been satisfied from the account in which the proceeds of the tax are placed.

9 (f)(1)(A) If the proceeds of the tax are specified to be used solely for the purpose of
10 payment of general obligation debt issued in conjunction with the imposition of the tax,
11 then any net proceeds of the tax in excess of the amount required for final payment of
12 such debt shall be subject to and applied as provided in paragraph (2) of this subsection.

13 (B) If the municipality receives from the tax net proceeds in excess of the maximum
14 cost of the project or projects calling for the imposition of the tax or in excess of the
15 actual cost of such project or projects, then such excess proceeds shall be subject to and
16 applied as provided in paragraph (2) of this subsection.

17 (C) If the tax is terminated under paragraph (1) of subsection (b) of Code Section
18 48-8-203 by reason of denial of validation of debt, then all net proceeds received by the
19 municipality from the tax shall be excess proceeds subject to paragraph (2) of this
20 subsection.

21 (2) Excess proceeds subject to this subsection shall be used solely for the purpose of
22 reducing any indebtedness of the municipality other than indebtedness incurred pursuant
23 to this article. If there is no such other indebtedness or, if the excess proceeds exceed the
24 amount of any such other indebtedness, then the excess proceeds shall next be paid into
25 the general fund of the municipality, it being the intent that any funds so paid into the
26 general fund of the municipality be used for the purpose of reducing ad valorem taxes."

27 SECTION 8.

28 Said title is further amended by striking Code Section 48-8-110, relating to authorization for
29 the levy of the special county sales and use tax, and inserting in lieu thereof the following:
30 "48-8-110.

31 As used in this part, the term:

32 (1) 'Capital outlay project' means major, permanent, or long-lived improvements or
33 betterments, such as land and structures, such as would be properly chargeable to a
34 capital asset account and as distinguished from current expenditures and ordinary
35 maintenance expenses. Such term shall include, but not be limited to, roads, streets,
36 bridges, police cars, fire trucks, ambulances, garbage trucks, and other major equipment.

1 (2) 'County-wide project' means a capital outlay project or projects as defined in
 2 paragraph (1) of this Code section of the county for the use or benefit of the citizens of
 3 the entire county and is further defined as follows:

4 (A) 'Level one county-wide project' means a county-wide project or projects of the
 5 county to carry out functions on behalf of the state and is limited to a county
 6 courthouse; a county administrative building primarily for county constitutional officers
 7 or elected officials; a county or regional jail, correctional institution, or other detention
 8 facility; a county health department facility; or any combination of such projects; and

9 (B) 'Level two county-wide project' means a county-wide project or projects of the
 10 county or one or more municipalities, other than a level one county-wide project, which
 11 project or projects are to be owned or operated or both either by the county, one or
 12 more municipalities, or any combination thereof.

13 (3) 'Intergovernmental agreement' means a contract entered into pursuant to Article XI,
 14 Section III, Paragraph I of the Constitution between a county and one or more qualified
 15 municipalities located within the special district containing a combined total of no less
 16 than 50 percent of the aggregate municipal population located within the special district.

17 (4) 'Qualified municipality' means only those incorporated municipalities which provide
 18 at least three of the following services, either directly or by contract:

19 (A) Law enforcement;

20 (B) Fire protection (which may be furnished by a volunteer fire force) and fire safety;

21 (C) Road and street construction or maintenance;

22 (D) Solid waste management;

23 (E) Water supply or distribution or both;

24 (F) Waste-water treatment;

25 (G) Storm-water collection and disposal;

26 (H) Electric or gas utility services;

27 (I) Enforcement of building, housing, plumbing, and electrical codes and other similar
 28 codes;

29 (J) Planning and zoning;

30 (K) Recreational facilities; or

31 (L) Library.

32 ~~48-8-110.~~ 48-8-110.1.

33 (a) Pursuant to the authority granted by Article IX, Section II, Paragraph VI of the
 34 Constitution of this state, there are created within this state 159 special districts. The
 35 geographical boundary of each county shall correspond with and shall be conterminous
 36 with the geographical boundary of the 159 special districts.

1 (b) When the imposition of a special district sales and use tax is authorized according to
 2 the procedures provided in this part within a special district, the The governing authority
 3 of any county in this state may, subject to the requirement of referendum approval and the
 4 other requirements of this ~~article~~ part, impose within the ~~county~~ special district a special
 5 sales and use tax for a limited period of time which tax shall be known as the county
 6 special purpose local option sales tax.

7 (c) Any tax imposed under this article part shall be at the rate of 1 percent. Except as to
 8 rate, a tax imposed under this ~~article~~ part shall correspond to the tax imposed by Article 1
 9 of this chapter. No item or transaction which is not subject to taxation under Article 1 of
 10 this chapter shall be subject to a tax imposed under this ~~article~~ part, except that a tax
 11 imposed under this ~~article~~ part shall apply to sales of motor fuels as that term is defined by
 12 Code Section 48-9-2 and shall be applicable to the sale of food and beverages as provided
 13 for in division (57)(D)(i) of Code Section 48-8-3."

14 SECTION 9.

15 Said title is further amended by striking Code Section 48-8-111, relating to procedures for
 16 imposition of the special county sales and use tax, and inserting in its place a new Code
 17 Section 48-8-111 to read as follows:

18 "48-8-111.

19 (a) Prior to the issuance of the call for the referendum and prior to the vote of a county
 20 governing authority within a special district to impose the tax under this ~~article~~ part, such
 21 governing authority may enter into an intergovernmental agreement with any or all of the
 22 qualified municipalities within the special district. Any county that desires to have a tax
 23 under this part levied within the special district shall deliver or mail a written notice to the
 24 mayor or chief elected official in each qualified municipality located within the ~~county~~
 25 special district. Such notice shall contain the date, time, place, and purpose of a meeting
 26 at which the governing authorities of the county and of each qualified municipality are to
 27 meet to discuss the possible projects for inclusion in the referendum, including municipally
 28 owned or operated projects. The notice shall be delivered or mailed at least ten days prior
 29 to the date of the meeting. The meeting shall be held at least 30 days prior to the issuance
 30 of the call for the referendum. Following such meeting, ~~a county~~ the governing authority
 31 of the county within the special district voting to impose the tax authorized by this ~~article~~
 32 part shall notify the county election superintendent by forwarding to the superintendent a
 33 copy of the resolution or ordinance of the governing authority calling for the imposition of
 34 the tax. Such ordinance or resolution shall specify eligible expenditures identified by the
 35 county and any qualified municipality for use of proceeds distributed pursuant to
 36 subsection (b) of Code Section 48-8-115. Such ordinance or resolution shall also specify:

1 (1) The purpose or purposes for which the proceeds of the tax are to be used and may be
 2 expended, which purpose or purposes may consist of capital outlay projects located
 3 within or outside, or both within and outside, any incorporated areas in the county in the
 4 special district or outside the county, as authorized by subparagraph (B) of this paragraph
 5 for regional facilities, and which may include any of the following purposes:

6 (A) ~~A capital outlay project consisting of road~~ Road, street, and bridge purposes, which
 7 purposes may include sidewalks and bicycle paths;

8 (B) A capital outlay project or projects ~~of the county for the use of or the benefit of the~~
 9 ~~citizens of the entire county~~ in the special district and consisting of a county
 10 courthouse; county administrative buildings; a civic center; a county local or regional
 11 jail, correctional institution, or other detention facility; a county library; a coliseum;
 12 local or regional solid waste handling facilities as defined under paragraph (27.1) or
 13 (35) of Code Section 12-8-22, as amended, excluding any solid waste thermal treatment
 14 technology facility, including, but not limited to, any facility for purposes of
 15 incineration or waste to energy direct conversion; local or regional recovered materials
 16 processing facilities as defined under paragraph (26) of Code Section 12-8-22, as
 17 amended; or any combination of such projects;

18 (C) A capital outlay project or projects which will be operated by a joint authority or
 19 authorities of the county and one or more qualified municipalities within the county and
 20 ~~which will be for the use of or benefit of the citizens of the county and the citizens of~~
 21 ~~one or more municipalities within the county~~ special district;

22 (D) A capital outlay project or projects, to be owned or operated or both either by the
 23 county, one or more qualified municipalities within the special district, one or more
 24 local authorities within the special district, or any combination thereof, ~~with respect to~~
 25 ~~which the such county has, prior to the call of the election, entered into a contract or~~
 26 ~~agreement, as authorized by Article IX, Section III of the Constitution, with one or~~
 27 ~~more municipalities in the county, which municipality or municipalities contain more~~
 28 ~~than one-half of the aggregate population of all municipalities within the county; and,~~
 29 ~~for purposes of determining the population of a municipality under this subparagraph,~~
 30 ~~only that portion of the population of each municipality which is within the county shall~~
 31 ~~be included;~~

32 (E) A capital outlay project consisting of a cultural facility, a recreational facility, or
 33 a historic facility (or a facility for some combination of such purposes);

34 (F) A water capital outlay project, a sewer capital outlay project, a water and sewer
 35 capital outlay project, or a combination of such projects, to be owned or operated or
 36 both by a county water and sewer district and one or more qualified municipalities in
 37 the county, ~~with respect to which the county has, prior to the call of the election,~~

1 ~~entered into a contract or agreement, as authorized by Article IX, Section III of the~~
 2 ~~Constitution; and when the tax is imposed pursuant to this subparagraph the proceeds~~
 3 ~~of the tax shall be allocated between the water and sewer district and the municipality~~
 4 ~~or municipalities based upon the population of the municipality or municipalities,~~
 5 ~~according to the United States decennial census of 1980 or any future such census, over~~
 6 ~~the population of the county, according to the United States decennial census of 1980~~
 7 ~~or any future such census, with such allocation to be specified in the contract or~~
 8 ~~agreement relating to the capital outlay facility or facilities;~~

9 (G) The retirement of previously incurred general obligation debt of the county, one
 10 or more qualified municipalities within the special district, or any combination thereof
 11 ~~other than general obligation debt incurred for road, street, or bridge purposes, if such~~
 12 ~~previously incurred general obligation debt was incurred for project or projects of a~~
 13 ~~type for which new general obligation debt may be incurred under this article;~~

14 (H) A capital outlay project or projects ~~of the county for the use of and benefit of the~~
 15 ~~citizens of the entire county~~ within the special district and consisting of public safety
 16 facilities, airport facilities, or related capital equipment used in the operation of public
 17 safety or airport facilities, or any combination of such purposes;

18 (I) A capital outlay project or projects, ~~to be owned or operated or both, either by the~~
 19 ~~county, one or more municipalities, or any combination thereof,~~ within the special
 20 district, consisting of capital equipment for use in voting in official elections or
 21 referendums ~~with such county or municipality;~~

22 (J) A capital outlay project or projects ~~of the county for the use and benefit of the~~
 23 ~~citizens of the entire county and~~ within the special district consisting of any
 24 transportation facility designed for the transportation of people or goods, including but
 25 not limited to railroads, port and harbor facilities, mass transportation facilities, or any
 26 combination thereof;

27 (K) A capital outlay project or projects ~~for the use and benefit of the citizens of the~~
 28 ~~entire county~~ within the special district and consisting of a hospital or hospital facilities
 29 that are owned by a county, a qualified municipality, or a hospital authority within the
 30 special district and operated by ~~the~~ such county, municipality, or hospital authority or
 31 by an organization which is tax exempt under Section 501(c)(3) of the Internal Revenue
 32 Code, which operates the hospital through a contract or lease with ~~the~~ such county,
 33 municipality, or hospital authority; or

34 (L) Any combination of two or more of the foregoing;

35 (2) The maximum period of time, to be stated in calendar years or calendar quarters and
 36 not to exceed five years, unless the provisions of paragraph (1) of subsection (b) or

1 subparagraph (b)(2)(A) of Code Section 48-8-115 are applicable, in which case the
 2 maximum period of time for which the tax may be levied shall not exceed six years;

3 (3) The ~~maximum~~ estimated cost of the project or projects which will be funded from the
 4 proceeds of the tax, which ~~maximum~~ estimated cost shall also be the ~~maximum~~ estimated
 5 amount of net proceeds to be raised by the tax, unless the provisions of paragraph (1) of
 6 subsection (b) or subparagraph (b)(2)(A) of Code Section 48-8-115 are applicable, in
 7 which case the final day of the tax shall be based upon the length of time for which the
 8 tax was authorized to be levied by the referendum; and

9 (4) If general obligation debt is to be issued in conjunction with the imposition of the tax,
 10 ~~as authorized by this article in cases where the tax is imposed other than in whole for~~
 11 ~~road, street, and bridge purposes,~~ the principal amount of the debt to be issued, the
 12 purpose for which the debt is to be issued, the local government issuing the debt, the
 13 ~~other than for road, street, and bridge purposes,~~ the interest rate or rates or the maximum
 14 interest rate or rates which such debt is to bear, and the amount of principal to be paid in
 15 each year during the life of the debt.

16 ~~(a.1) For purposes of subsection (a) of this Code section, a 'capital outlay project' means~~
 17 ~~major, permanent, or long-lived improvements or betterments, such as land and structures,~~
 18 ~~such as would be properly chargeable to a capital asset account and as distinguished from~~
 19 ~~current expenditures and ordinary maintenance expenses. Such term shall include, but not~~
 20 ~~be limited to, police cars, fire trucks, ambulances, garbage trucks, and other major~~
 21 ~~equipment.~~

22 (b) Upon receipt of the resolution or ordinance, the election superintendent shall issue the
 23 call for an election for the purpose of submitting the question of the imposition of the tax
 24 to the voters of the county within the special district. The election superintendent shall
 25 issue the call and shall conduct the election on a date and in the manner authorized under
 26 Code Section 21-2-540. The election superintendent shall cause the date and purpose of the
 27 election to be published once a week for four weeks immediately preceding the date of the
 28 election in the official organ of the county. If general obligation debt is to be issued by the
 29 county or any qualified municipality within the special district in conjunction with the
 30 imposition of the tax, the notice published by the election superintendent shall also include,
 31 in such form as may be specified by the county governing authority or the governing
 32 authority or authorities of the qualified municipalities imposing the tax within the special
 33 district, the principal amount of the debt, the purpose for which the debt is to be issued, the
 34 rate or rates of interest or the maximum rate or rates of interest the debt will bear, and the
 35 amount of principal to be paid in each year during the life of the debt; and such publication
 36 of notice by the election superintendent shall take the place of the notice otherwise required

1 by Code Section 36-80-11 or by subsection (b) of Code Section 36-82-1, which notice shall
2 not be required.

3 ~~(c) If the tax is to be imposed solely for road, street, and bridge purposes, the ballot shall~~
4 ~~have written or printed thereon the following:~~

5 ~~'() YES Shall a special 1 percent sales and use tax be imposed for road, street, and~~
6 ~~bridge purposes in _____ County for a period of time not to~~
7 ~~() NO exceed _____ and for the raising of not more than~~
~~\$_____?'~~

8 ~~(d)(c)(1) If the tax is to be imposed solely for purposes other than for road, street, and~~
9 ~~bridge purposes and if no debt is to be issued, the ballot~~ The ballot submitting the
10 question of the imposition of the tax authorized by this part to the voters of the county
11 within the special district shall have written or printed thereon the following:

12 '() YES Shall a special 1 percent sales and use tax be imposed in the special
13 district of _____ County for a period of time not to exceed _____
14 '() NO and for the raising of not more than an estimated amount of \$_____
for the purpose of _____?'

15 (2) If debt is to be issued, the ballot shall also have written or printed thereon, following
16 the language specified by paragraph (1) of this subsection, the following:

17 'If imposition of the tax is approved by the voters, such vote shall also constitute
18 approval of the issuance of general obligation debt of _____ County in the principal
19 amount of \$_____ for the above purpose.'

20 ~~(3) If the tax is to be imposed in part for road, street, and bridge purposes and in part for~~
21 ~~other purposes, the ballot shall have written or printed thereon the following:~~

22 ~~'() YES Shall a special 1 percent sales and use tax be imposed in _____ County~~
23 ~~for a period of time not to exceed _____ and for the raising of not more~~
24 ~~() NO than \$_____ for the purpose of _____ and for road, street, and bridge~~
25 ~~purposes for a period of time not to exceed _____ and for the raising of~~
26 ~~not more than \$_____?'~~

27 ~~(4) If debt is to be issued for purposes other than road, street, and bridge purposes, the~~
28 ~~ballot shall also have written or printed thereon, following the language specified by~~
29 ~~paragraph (3) of this subsection, the following:~~

30 ~~'If imposition of the tax is approved by the voters, such vote shall also constitute~~
31 ~~approval of the issuance of general obligation debt of _____ County in the~~
32 ~~principal amount of \$_____ for the above purpose other than road, street, and~~
33 ~~bridge purposes.'~~

1 ~~(e)~~(d) All persons desiring to vote in favor of imposing the tax shall vote 'Yes' and all
 2 persons opposed to levying the tax shall vote 'No.' If more than one-half of the votes cast
 3 are in favor of imposing the tax then the tax shall be imposed as provided in this ~~article~~
 4 part; otherwise the tax shall not be imposed and the question of imposing the tax shall not
 5 again be submitted to the voters of the county within the special district until after 12
 6 months immediately following the month in which the election was held; provided,
 7 however, that if an election date authorized under Code Section 21-2-540 occurs during the
 8 twelfth month immediately following the month in which such election was held, the
 9 question of imposing the tax may be submitted to the voters of the county within the
 10 special district on such date. The election superintendent shall hold and conduct the
 11 election under the same rules and regulations as govern special elections. The
 12 superintendent shall canvass the returns, declare the result of the election, and certify the
 13 result to the Secretary of State and to the commissioner. The expense of the election shall
 14 be paid from county funds.

15 ~~(f)~~(e)(1) If the proposal includes the authority to issue general obligation debt and if more
 16 than one-half of the votes cast are in favor of the proposal, then the authority to issue such
 17 debt in accordance with Article IX, Section V, Paragraph I or Article IX, Section V,
 18 Paragraph II of the Constitution is given to the proper officers of the county or qualified
 19 municipality within the special district issuing such debt; otherwise such debt shall not
 20 be issued. If the authority to issue such debt is so approved by the voters, then such debt
 21 may be issued without further approval by the voters.

22 (2) If the issuance of general obligation debt is included and approved as provided in this
 23 Code section, then the governing authority of the county or qualified municipality within
 24 the special district issuing such debt may incur such debt either through the issuance and
 25 validation of general obligation bonds or through the execution of a promissory note or
 26 notes or other instrument or instruments. If such debt is incurred through the issuance of
 27 general obligation bonds, such bonds and their issuance and validation shall be subject
 28 to Articles 1 and 2 of Chapter 82 of Title 36 except as specifically provided otherwise in
 29 this ~~article~~ part. If such debt is incurred through the execution of a promissory note or
 30 notes or other instrument or instruments, no validation proceedings shall be necessary and
 31 such debt shall be subject to Code Sections 36-80-10 through 36-80-14 except as
 32 specifically provided otherwise in this ~~article~~ part. In either event, such general obligation
 33 debt shall be payable first from the separate account in which are placed the proceeds
 34 received by the county or qualified municipality within the special district issuing such
 35 debt from the tax authorized by this ~~article~~ part. Such general obligation debt shall,
 36 however, constitute a pledge of the full faith, credit, and taxing power of the county or
 37 qualified municipality within the special district issuing such debt; and any liability on

1 such debt which is not satisfied from the proceeds of the tax authorized by this ~~article~~ part
 2 shall be satisfied from the general funds of the county or qualified municipality within
 3 the special district issuing such debt. ~~In no event shall any proceeds of a tax which is~~
 4 ~~imposed pursuant to this article in whole or in part for road, street, or bridge purposes be~~
 5 ~~used for payment of general obligation debt with respect to such road, street, and bridge~~
 6 ~~purposes."~~

7 **SECTION 10.**

8 Said title is further amended by striking subsection (c) of Code Section 48-8-111.1, relating
 9 to applicability of the special county sales and use tax to consolidated governments, and
 10 inserting in its place a new subsection (c) to read as follows:

11 "(c) A consolidated government shall be authorized to levy a tax for any capital outlay
 12 project provided for in subparagraphs (a)(1)(C), (a)(1)(D), and (a)(1)(F) of Code Section
 13 48-8-111, or any combination thereof, without the necessity of operating such project
 14 jointly with a qualified municipal governing authority, owning or operating such projects
 15 with one or more qualified municipalities, or entering into a contract with one or more
 16 qualified municipalities with respect to such project."

17 **SECTION 11.**

18 Said title is further amended by striking Code Section 48-8-112, relating to effective date,
 19 termination, limitation, and reimposition of the special county sales and use tax, and inserting
 20 in lieu thereof the following:

21 "48-8-112.

22 (a) If the imposition of the tax is approved at the special election, the tax shall be imposed
 23 on the first day of the next succeeding calendar quarter which begins more than 80 days
 24 after the date of the election at which the tax was approved by the voters. With respect to
 25 services which are regularly billed on a monthly basis, however, the resolution shall
 26 become effective with respect to and the tax shall apply to services billed on or after the
 27 effective date specified in the previous sentence.

28 (b) The tax shall cease to be imposed on the earliest of the following dates:

29 (1) If the resolution or ordinance calling for the imposition of the tax provided for the
 30 issuance of general obligation debt and such debt is the subject of validation proceedings,
 31 as of the end of the first calendar quarter ending more than 80 days after the date on
 32 which a court of competent jurisdiction enters a final order denying validation of such
 33 debt;

34 (2) On the final day of the maximum period of time specified for the imposition of the
 35 tax; or

1 (3) As of the end of the calendar quarter during which the commissioner determines that
 2 the tax will have raised revenues sufficient to provide to the county and qualified
 3 municipalities within the special district net proceeds equal to or greater than the amount
 4 specified as the maximum estimated amount of net proceeds to be raised by the tax,
 5 unless the provisions in paragraph (1) of subsection (b) or subparagraph (b)(2)(A) of
 6 Code Section 48-8-115 are applicable, in which case the final day of the tax shall be
 7 based upon the length of time for which the tax was authorized to be levied by the
 8 referendum.

9 (c)(1) ~~No county shall impose at~~ At any time no more than a single 1 percent tax under
 10 this ~~article~~ part may be imposed within a special district.

11 (2) ~~A county in~~ The governing authority of a county in a special district in which a tax
 12 authorized by this ~~article~~ part is in effect may, while the tax is in effect, adopt a resolution
 13 or ordinance calling for the reimposition of a tax as authorized by this ~~article~~ part upon
 14 the termination of the tax then in effect; and a special election may be held for this
 15 purpose while the tax is in effect. Proceedings for the reimposition of a tax shall be in the
 16 same manner as proceedings for the initial imposition of the tax, but the newly authorized
 17 tax shall not be imposed until the expiration of the tax then in effect; provided, however,
 18 that in the event of emergency conditions under which a county is unable to conduct a
 19 referendum so as to continue the tax then in effect without interruption, the commissioner
 20 may, if feasible administratively, waive the limitations of subsection (a) of this Code
 21 section to the minimum extent necessary so as to permit the reimposition of a tax, if
 22 otherwise approved as required under this Code section, without interruption, upon the
 23 expiration of the tax then in effect.

24 (3) Following the expiration of a tax under this ~~article,~~ part, the governing authority of
 25 a county within a special district may initiate proceedings for the reimposition of a tax
 26 under this ~~article~~ part in the same manner as provided in this ~~article~~ part for initial
 27 imposition of such tax.

28 (d) Notwithstanding any other provision of this part to the contrary, if a county has
 29 imposed the tax authorized by this part which tax has become effective in the calendar
 30 quarter beginning October 1, 2003, for road, street, and bridge purposes; courthouse capital
 31 repair purposes; capital outlay hospital authority purposes; and other purposes, and
 32 unanticipated retail development occurs prior to the fourth year of the tax being in place
 33 which will cause the tax to terminate under paragraph (3) of subsection (b) of this Code
 34 section, then the provisions of this subsection shall apply. This subsection shall not apply
 35 until and unless the governing authority of the county adopts a resolution under this
 36 subsection which calls for the tax to continue to be collected for the maximum period of
 37 time originally specified for the imposition of the tax. A copy of such resolution shall,

1 upon adoption, be transmitted to the commissioner. Upon the adoption of such resolution,
 2 the tax shall continue to be imposed for the same period of time as originally authorized
 3 without regard to the amount of revenue collected. The commissioner shall notify the
 4 county governing authority as of the end of the calendar quarter during which the
 5 commissioner makes the determination otherwise required under paragraph (3) of
 6 subsection (b) of this Code section. From the beginning of the immediately following
 7 calendar quarter until the final day of the maximum period of time specified for the
 8 imposition of the tax, the county shall only be authorized to use the proceeds collected
 9 from such tax for a county-wide project or projects or for a recreational facility or facilities
 10 and only pursuant to an intergovernmental agreement between such county and all
 11 municipalities, whether qualified municipalities or not, which were originally to receive
 12 a share of proceeds of such tax regarding such projects or facilities. This subsection shall
 13 stand repealed in its entirety on December 31, 2008."

14 **SECTION 12.**

15 Said title is further amended by striking Code Section 48-8-113, relating to administration
 16 and collection of the special county sales and use tax by the state revenue commissioner, and
 17 inserting in its place a new Code Section 48-8-113 to read as follows:

18 "48-8-113.

19 A tax levied pursuant to this ~~article~~ part shall be exclusively administered and collected by
 20 the commissioner for the use and benefit of the county and qualified municipalities within
 21 such special district imposing the tax. Such administration and collection shall be
 22 accomplished in the same manner and subject to the same applicable provisions,
 23 procedures, and penalties provided in Article 1 of this chapter; provided, however, that all
 24 moneys collected from each taxpayer by the commissioner shall be applied first to such
 25 taxpayer's liability for taxes owed the state; and provided, further, that the commissioner
 26 may rely upon a representation by or in behalf of the county and qualified municipalities
 27 within the special district or the Secretary of State that such a tax has been validly imposed,
 28 and the commissioner and the commissioner's agents shall not be liable to any person for
 29 collecting any such tax which was not validly imposed. Dealers shall be allowed a
 30 percentage of the amount of the tax due and accounted for and shall be reimbursed in the
 31 form of a deduction in submitting, reporting, and paying the amount due if such amount
 32 is not delinquent at the time of payment. The deduction shall be at the rate and subject to
 33 the requirements specified under subsections (b) through (f) of Code Section 48-8-50."

SECTION 13.

Said title is further amended by striking Code Section 48-8-115, relating to disbursement of proceeds of the special county sales and use tax, and inserting in its place a new Code Section 48-8-115 to read as follows:

"48-8-115.

(a) The proceeds of the tax collected by the commissioner in each county within a special district under this article part shall be disbursed as soon as practicable after collection as follows:

(1) One percent of the amount collected shall be paid into the general fund of the state treasury in order to defray the costs of administration;

(2) Except for the percentage provided in paragraph (1) of this Code section, the remaining proceeds of the tax shall be distributed to the governing authority of the county within the special district imposing the tax as specified in subsection (b) of this Code section.

(b) The county within the special district shall distribute any such proceeds as follows:

(1) To the county governing authority and any qualified municipalities as specified in an intergovernmental agreement. Where an intergovernmental agreement has been entered into, the agreement shall, at a minimum, include the following:

(A) The specific capital outlay project or projects to be funded pursuant to the agreement;

(B) The estimated or projected dollar amounts allocated for each project from tax proceeds from the tax authorized by this part;

(C) The procedures for distributing proceeds from the tax authorized by this part to qualified municipalities;

(D) A schedule for distributing proceeds from the tax authorized by this part to qualified municipalities which schedule shall include the priority or order in which projects will be fully or partially funded;

(E) A provision that all capital outlay projects included in the agreement shall be funded from proceeds from the tax authorized by this part except as otherwise agreed;

(F) A provision that proceeds from the tax authorized by this part shall be maintained in separate accounts and utilized exclusively for the specified purposes;

(G) Record-keeping and audit procedures necessary to carry out the purposes of this part; and

(H) Such other provisions as the county and participating municipalities choose to address; or

1 (2) Where an intergovernmental agreement has not been entered into pursuant to
 2 paragraph (1) of this subsection, the county within the special district shall distribute the
 3 proceeds of the tax authorized by this part as follows:

4 (A)(i) To the governing authority of the county for one or more level one
 5 county-wide projects specified by the governing authority of the county in the
 6 ordinance or resolution required by subsection (a) of Code Section 48-8-111;
 7 provided, however, that any tax levied under this part that funds level one
 8 county-wide projects where an intergovernmental agreement has not been entered into
 9 pursuant to paragraph (1) of this subsection shall be levied for a five-year period. In
 10 the event that any or all level one county-wide projects are estimated to cost an
 11 amount which exceeds the proceeds projected to be collected during a 24 month
 12 period of the levy of the tax, the tax shall be levied for a six-year period; or

13 (ii) In the event that no level one county-wide project is included in the ordinance or
 14 resolution required by subsection (a) of Code Section 48-8-111, to the governing
 15 authority of the county for one or more level two county-wide projects specified by
 16 the governing authority of the county in the ordinance or resolution required by
 17 subsection (a) of Code Section 48-8-111. In the event no level one county-wide
 18 project is included in the ordinance or resolution required by subsection (a) of Code
 19 Section 48-8-111 and the governing authority of the county has specified one or more
 20 municipal projects as level two county-wide projects in the ordinance or resolution
 21 required by subsection (a) of Code Section 48-8-111, to the governing authority of the
 22 appropriate municipality or municipalities for such level two county-wide projects
 23 specified in the ordinance or resolution required by subsection (a) of Code Section
 24 48-8-111. The total estimated cost of all level two county-wide projects specified
 25 under this division shall not exceed 20 percent of the proceeds projected to be
 26 collected during the period specified in the ordinance or resolution required by
 27 subsection (a) of Code Section 48-8-111; or

28 (B) In the event that no county-wide project is included in the resolution or ordinance
 29 calling for the imposition of the tax or in the event that tax proceeds exceed that amount
 30 required to fund the county-wide project or projects, the remaining proceeds shall be
 31 distributed in the following manner:

32 (i) As specified in an intergovernmental agreement other than the agreement
 33 specified in paragraph (1) of this subsection. The intergovernmental agreement shall
 34 include, at a minimum, the information required in paragraph (1) of this subsection;
 35 or

36 (ii) To the qualified municipalities within the special district based upon the ratio that
 37 the population of each qualified municipality bears to the total population of the

1 county within the special district. If any qualified municipality is located in more
 2 than one county, only that portion of its population that is within the special district
 3 shall be counted. The remainder of such proceeds shall be distributed to the
 4 governing authority of the county within the special district. Capital outlay projects
 5 included in the referendum ballot by the county or any qualified municipalities within
 6 the special district shall be based upon the anticipated proceeds and distribution of the
 7 tax. The governing authority of the county within the special district shall distribute
 8 all proceeds received by the county for the tax levied pursuant to this part to the
 9 qualified municipalities within the special district on a monthly basis where proceeds
 10 are distributed in accordance with this division."

11 SECTION 14.

12 Said title is further amended by striking Code Section 48-8-120, relating to the effect of other
 13 local sales and use taxes on imposition of the special county sales and use tax, and inserting
 14 in its place a new Code Section 48-8-120 to read as follows:

15 "48-8-120.

16 Except as provided in Code Section 48-8-6, the tax authorized by this ~~article~~ part shall be
 17 in addition to any other local sales and use tax. Except as provided in Code Section 48-8-6,
 18 the imposition of any other local sales and use tax within a county or qualified municipality
 19 within a special district shall not affect the authority of such a county to impose the tax
 20 authorized by ~~this article~~ part and the imposition of the tax authorized by ~~this article~~ part
 21 shall not affect the imposition of any otherwise authorized local sales and use tax within
 22 the county within the special district."

24 SECTION 15.

25 Said title is further amended by striking Code Section 48-8-121, relating to use of proceeds
 26 of the special county sales and use tax and issuance of general obligation debt, and inserting
 27 in lieu thereof the following:

28 "48-8-121.

29 (a)(1) The proceeds received from the tax authorized by this ~~article~~ part shall be used by
 30 the county and qualified municipalities within the special district receiving proceeds of
 31 the sales and use tax exclusively for the purpose or purposes specified in the resolution
 32 or ordinance calling for imposition of the tax. Such proceeds shall be kept in a separate
 33 account from other funds of ~~the~~ such county and each qualified municipality receiving
 34 proceeds of the sales and use tax and shall not in any manner be commingled with other
 35 funds of ~~the~~ such county and each qualified municipality receiving proceeds of the sales
 36 and use tax prior to the expenditure.

1 (2) The governing authority of the county and the governing authority of each qualified
 2 municipality within the special district receiving any proceeds from the tax pursuant to
 3 ~~a contract with the county~~ this part shall maintain a record of each and every project for
 4 which the proceeds of the tax are used. A schedule shall be included in each annual audit
 5 which shows for each such project ~~in the resolution or ordinance calling for imposition~~
 6 ~~of the tax~~ the original estimated cost, the current estimated cost if it is not the original
 7 estimated cost, amounts expended in prior years, and amounts expended in the current
 8 year. The auditor shall verify and test expenditures sufficient to provide assurances that
 9 the schedule is fairly presented in relation to the financial statements. The auditor's report
 10 on the financial statements shall include an opinion, or disclaimer of opinion, as to
 11 whether the schedule is presented fairly in all material respects in relation to the financial
 12 statements taken as a whole.

13 (3) ~~Where the tax authorized by this article has been imposed prior to April 19, 1994, for~~
 14 ~~a period of four years for road, street, and bridge purposes and five years for other~~
 15 ~~purposes, this paragraph shall apply. When this paragraph applies, proceeds from any or~~
 16 ~~all years of the five-year imposition period may be used for road, street, and bridge~~
 17 ~~purposes and proceeds from any or all years of the five-year imposition period may be~~
 18 ~~used for the other authorized purposes, so long as the total expenditures of the tax~~
 19 ~~proceeds are consistent with the total expenditures provided for in the original resolution~~
 20 ~~or ordinance calling for the imposition of the tax.~~ In the event that a qualified
 21 municipality fails to comply with the requirements of this part, the county within the
 22 special district shall not be held liable for such noncompliance.

23 (b) ~~If the resolution or ordinance calling for the imposition of the tax specified that the~~
 24 ~~proceeds of the tax are to be used in whole or in part for road, street, and bridge purposes,~~
 25 ~~then authorized uses of the tax proceeds shall include acquisition of right of way for,~~
 26 ~~construction of, and renovation and improvement of, including relocation of utilities for~~
 27 ~~and improvement of surface water drainage from, roads, streets, bridges, sidewalks, and~~
 28 ~~bicycle paths both within the unincorporated area of the county and within the incorporated~~
 29 ~~areas of municipalities within the county. If the resolution or ordinance calling for the~~
 30 ~~imposition of the tax specified that the proceeds of the tax are to be used in whole or in part~~
 31 ~~for road, street, and bridge purposes, then no part of the proceeds of the tax shall be used~~
 32 ~~to retire general obligation debt with respect to such road, street, and bridge purposes.~~

33 (b)(1) If the resolution or ordinance calling for the imposition of the tax specified that the
 34 proceeds of the tax are to be used in whole or in part for capital outlay projects consisting
 35 of road, street, and bridge purposes, then authorized uses of the tax proceeds shall
 36 include:

1 (A) Acquisition of rights of way for roads, streets, bridges, sidewalks, and bicycle
 2 paths;

3 (B) Construction of roads, streets, bridges, sidewalks, and bicycle paths;

4 (C) Renovation and improvement of roads, streets, bridges, sidewalks, and bicycle
 5 paths, including resurfacing;

6 (D) Relocation of utilities for roads, streets, bridges, sidewalks, and bicycle paths;

7 (E) Improvement of surface-water drainage from roads, streets, bridges, sidewalks, and
 8 bicycle paths; and

9 (F) Patching, leveling, milling, widening, shoulder preparation, culvert repair, and other
 10 repairs necessary for the preservation of roads, streets, bridges, sidewalks, and bicycle
 11 paths.

12 (2) Storm-water capital outlay projects and drainage capital outlay projects may be
 13 funded pursuant to subparagraph (a)(1)(D) of Code Section 48-8-111 or in conjunction
 14 with road, street, and bridge capital outlay projects.

15 ~~(c) No general obligation debt shall be issued in conjunction with the imposition of the tax~~
 16 ~~authorized by this article when the tax is imposed in whole or in part for road, street, and~~
 17 ~~bridge purposes with respect to such road, street, and bridge purposes. If the tax is imposed~~
 18 ~~solely for purposes other than road, street, and bridge purposes or in part for road, street,~~
 19 ~~and bridge purposes and in part for other purposes, then no No general obligation debt shall~~
 20 ~~be issued in conjunction with the imposition of the tax unless the county governing~~
 21 ~~authority of the county or qualified municipalities within special district issuing the debt~~
 22 ~~determines that, and if the debt is to be validated it is demonstrated in the validation~~
 23 ~~proceedings that, during each year in which any payment of principal or interest on the debt~~
 24 ~~comes due the county or qualified municipalities within special district issuing such debt~~
 25 ~~will receive from the tax authorized by this ~~article~~ part net proceeds sufficient to fully~~
 26 ~~satisfy such liability. General obligation debt issued under this ~~article~~ part shall be payable~~
 27 ~~first from the separate account in which are placed the proceeds received by the county or~~
 28 ~~qualified municipalities within the special district issuing such debt from the tax authorized~~
 29 ~~by this ~~article~~ part. Such debt, however, shall constitute a pledge of the full faith, credit,~~
 30 ~~and taxing power of the county or qualified municipalities within the special district issuing~~
 31 ~~such debt; and any liability on said debt which is not satisfied from the proceeds of the tax~~
 32 ~~authorized by this ~~article~~ part shall be satisfied from the general funds of the county or~~
 33 ~~qualified municipalities within the special district issuing such debt.~~

34 (d) The resolution or ordinance calling for imposition of the tax authorized by this ~~article~~
 35 ~~solely for purposes other than for road, street, and bridge purposes or in part for road,~~
 36 ~~street, and bridge purposes and in part for other purposes part may specify that all of the~~
 37 ~~proceeds of the tax will be used for payment of general obligation debt issued in~~

1 conjunction with the imposition of the tax ~~with respect to purposes other than road, street,~~
 2 ~~and bridge purposes~~. If the resolution or ordinance so provides, then such proceeds shall
 3 be used solely for such purpose except as provided in subsection (g) of this Code section.

4 (e)(1) The resolution or ordinance calling for the imposition of the tax authorized by this
 5 ~~article solely for purposes other than for road, street, and bridge purposes or in part for~~
 6 ~~road, street, and bridge purposes and in part for other purposes~~ part may specify that a part
 7 of the proceeds of the tax will be used for payment of general obligation debt issued in
 8 conjunction with the imposition of the tax ~~with respect to purposes other than road, street,~~
 9 ~~and bridge purposes~~. If the ordinance or resolution so provides, it shall specifically state
 10 the other purposes for which such proceeds will be used; and such other purposes shall be
 11 a part of the capital outlay project or projects for which the tax is to be imposed. In such
 12 a case no part of the net proceeds from the tax received in any year shall be used for such
 13 other purposes until all debt service requirements of the general obligation debt for that
 14 year have first been satisfied from the account in which the proceeds of the tax are placed.

15 ~~(2) In no event shall any proceeds of general obligation debt issued pursuant to this article~~
 16 ~~be used for road, street, or bridge purposes.~~

17 (f) The resolution or ordinance calling for the imposition of the tax may specify that no
 18 general obligation debt is to be issued in conjunction with the imposition of the tax. If the
 19 ordinance or resolution so provides, it shall specifically state the purpose or purposes for
 20 which the proceeds will be used.

21 (g)(1)(A) If the proceeds of the tax are specified to be used solely for the purpose of
 22 payment of general obligation debt issued in conjunction with the imposition of the tax,
 23 then any net proceeds of the tax in excess of the amount required for final payment of
 24 such debt shall be subject to and applied as provided in paragraph (2) of this subsection.

25 (B) If the county or qualified municipality within the special district receives from the
 26 tax net proceeds in excess of the ~~maximum~~ estimated cost of the capital outlay project
 27 or projects stated in the resolution or ordinance calling for the imposition of the tax or
 28 in excess of the actual cost of such capital outlay project or projects, then such excess
 29 proceeds shall be subject to and applied as provided in paragraph (2) of this subsection.

30 (C) If the tax is terminated under paragraph (1) of subsection (b) of Code Section
 31 48-8-112 by reason of denial of validation of debt, then all net proceeds received by the
 32 county or qualified municipality within the special district from the tax shall be excess
 33 proceeds subject to paragraph (2) of this subsection.

34 (2) Unless otherwise provided in this part or in an intergovernmental agreement entered
 35 into pursuant to this part, excess Excess proceeds subject to this subsection shall be used
 36 solely for the purpose of reducing any indebtedness of the county within the special
 37 district other than indebtedness incurred pursuant to this ~~article~~ part. If there is no such

1 other indebtedness or, if the excess proceeds exceed the amount of any such other
 2 indebtedness, then the excess proceeds shall next be paid into the general fund of the
 3 county within the special district, it being the intent that any funds so paid into the
 4 general fund of the county be used for the purpose of reducing ad valorem taxes."

5 SECTION 16.

6 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended
 7 by striking subsection (c) of Code Section 36-36-2, regarding the effective date of
 8 annexation, and inserting in its place a new subsection (c) to read as follows:

9 "(c)(1) Where an independent school system exists within the boundaries of a
 10 municipality, other effective dates may be established by the municipality solely for the
 11 purpose of determining school enrollment.

12 (2) Unless otherwise agreed in writing by a county governing authority and the
 13 municipal governing authority, where property zoned and used for commercial purposes
 14 is annexed into a municipality with an independent school system, the effective date for
 15 the purposes of ad valorem taxes levied for educational purposes shall be December 31
 16 of the year after the year in which the requirements of Article 2, 3, or 4 of this chapter,
 17 whichever is applicable, have been met."

18 SECTION 17.

19 Said title is further amended by striking Code section 36-36-6, relating to notice of proposed
 20 annexation, and inserting in its place a new Code Section 36-36-6 to read as follows:

21 "36-36-6.

22 Upon accepting an application for annexation pursuant to Code Section 36-36-21 or a
 23 petition for annexation pursuant to Code Section 36-36-32, or upon adopting a resolution
 24 calling for an annexation referendum pursuant to Code Section 36-36-57, the governing
 25 authority of the annexing municipality shall within five business days give written notice
 26 of the proposed annexation to the governing authority of the county wherein the area
 27 proposed for annexation is located. Such notice shall include a map or other description
 28 of the site proposed to be annexed sufficient to identify the area. Where the proposed
 29 annexation is to be effected by a local Act of the General Assembly, a copy of the proposed
 30 legislation shall be provided by the governing authority of the municipality to the
 31 governing authority of the county in which the property proposed to be annexed is located
 32 following the receipt of such notice by the governing authority of the municipality under
 33 subsection (b) of Code Section 28-1-14."

SECTION 18.

Said title is further amended by striking Code Section 36-36-11, relating to the effect of bona fide land use classification objections, and inserting in its place a new Code Section 36-36-11 to read as follows:

"36-36-11.

(a) The intent of this Code section is to provide a mechanism to resolve disputes over land use arising out of the rezoning of property to a more intense land use in conjunction with or subsequent to annexation in order to facilitate coordinated planning between counties and municipalities particularly with respect to areas contiguous to municipal boundaries.

~~(a)(b)~~ As used in this Code section, the term 'bona fide land use classification objection' means an objection to a proposed change in land use which results in a substantial change in the intensity of the allowable use of the property or a change to a significantly different allowable use.

~~(b) On or after July 1, 1998, an annexation shall not be effective until any bona fide land use classification objections raised by the county relative to the area to be annexed are resolved pursuant to the dispute resolution process required by subparagraph (C) of paragraph (4) of Code Section 36-70-24.~~

(1) When an initial zoning of property is sought pursuant to subsection (d) of Code Section 36-66-4 or when the rezoning of annexed property is sought within one year of the effective date of the annexation, the municipal corporation shall give notice to the county governing authority within seven calendar days of the filing of the application for initial zoning or rezoning. Upon receipt of such notice, the county governing authority shall have seven calendar days to notify the municipality in writing of its intent to raise an objection to the proposed zoning or rezoning of the property and shall specify the basis for the objection. If the county governing authority serves notice of its intent to object, then the county governing authority shall have ten calendar days from the date of the county's notice to document in writing the nature of the objection specifically identifying the basis for the objection including any increased service delivery or infrastructure costs. The absence of a written notice of intent to object or failure to document the nature of the objection shall mean the municipal corporation may proceed with the zoning or rezoning and no subsequent objections under this process may be filed for the zoning or rezoning under consideration.

(2) Commencing with the date of receipt by the municipality of the county's documented objections, representatives of the municipal corporation and the county shall have 21 calendar days to devise mitigating measures to address the county's specific objections to the proposed zoning or rezoning. The governing authority of the municipal corporation and the governing authority of the county may agree on mitigating measures or agree in

1 writing to waive the objections at any time within the 21 calendar day period, in which
2 event the municipal corporation may proceed with the zoning or rezoning in accordance
3 with such agreement; or, where an initial zoning is proposed concurrent with annexation,
4 the municipality may approve, deny, or abandon the annexation of all or parts of the
5 property under review.

6 (3) If the representatives of the municipal corporation and the county fail to reach
7 agreement on the objections and mitigating measures within the 21 calendar day period,
8 either the governing authority of the municipal corporation or the governing authority of
9 the county may insist upon appointment of a mediator within seven calendar days after
10 the end of the 21 day period to assist in resolving the dispute. The mediator shall be
11 mutually selected and appointed within seven calendar days of either party's timely,
12 written insistence on a mediator. The party insisting on use of the mediator shall bear
13 two-thirds of the expense of the mediation and the other party shall bear one-third of the
14 expense of the mediation. If both the municipality and the county insist on mediation, the
15 expenses of mediation shall be shared equally. The mediator shall have up to 28 calendar
16 days to meet with the parties to develop alternatives to resolve the objections. If the
17 municipal corporation and the county agree on alternatives to resolve the objections, the
18 municipal corporation may proceed in accordance with the mediated agreement.

19 (4) If the objections are not resolved by the end of the 28 day period, the municipal
20 governing authority or the county governing authority may, no later than seven calendar
21 days after the conclusion of such 28 day period, request review by a citizen review panel.
22 The citizen review panel shall be an independent body comprised of one resident of the
23 municipal corporation appointed by the municipal governing authority, one resident of
24 the county appointed by the county governing authority, and one nonresident of the
25 county who is a land use planning professional mutually selected by the municipal and
26 county appointees to the citizen review panel. No elected or appointed officials or
27 employees, contractors, or vendors of a municipality or county may serve on the citizen
28 review panel. If a request for review by a citizen review panel is made, the mediator shall
29 make arrangements to appear personally at the first meeting of the panel and brief the
30 panel members regarding the objections and proposed mitigating measures or provide a
31 written presentation of such objections and proposed mitigating measures to the panel
32 members on or before the date of such first meeting, whichever the mediator deems
33 appropriate. The citizen review panel shall meet at least once but may conduct as many
34 meetings as necessary to complete its review within a 21 calendar day period. All
35 meetings of the citizen review panel shall be open to the public pursuant to Chapter 14
36 of Title 50. Within 21 calendar days of the request for review, the citizen review panel
37 shall complete its review of the evidence submitted by the county and the municipality

1 concerning the objections and proposed mitigating measures and shall issue its own
 2 recommendations.

3 (5) The citizen review panel shall recommend approval or denial of the zoning or
 4 rezoning and address the objections and proposed mitigating measures. Where an initial
 5 zoning is proposed concurrent with annexation, the panel may also recommend that the
 6 annexation be approved or abandoned. The findings and recommendations of the citizen
 7 review panel shall not be binding.

8 (6) Following receipt of the recommendations of the citizen review panel, the municipal
 9 corporation may:

10 (A) Zone or rezone all or parts of the property under review;

11 (B) Zone or rezone all or parts of the property under review with mitigating measures;

12 (C) Deny the zoning or rezoning of all or parts of the property under review; or

13 (D) Any combination of the foregoing.

14 Where an initial zoning is proposed concurrent with annexation, the municipality may
 15 also approve, deny, or abandon the annexation of all or parts of the property under
 16 review.

17 (7) At any time during the process set forth in this Code section, the county or
 18 municipality may file a petition in superior court seeking sanctions against a party for any
 19 objections or proposed mitigating measures that lack substantial justification or that were
 20 interposed for purposes of delay or harassment. Such petition shall be assigned to a
 21 judge, pursuant to Code Section 15-1-9.1 or 15-6-13, who is not a judge in the circuit in
 22 which the county is located. The judge selected may also be a senior judge pursuant to
 23 Code Section 15-1-9.2 who resides in another circuit. The visiting or senior judge shall
 24 determine whether any objections or proposed mitigating measures lack substantial
 25 justification or were interposed for delay or harassment and shall assess against the party
 26 raising such objection or proposing or objecting to such mitigating measures the full cost
 27 of attorney fees and other costs incurred by the other party in responding to the objections
 28 or proposed mitigating measures.

29 (8) Unless otherwise agreed, a zoning or rezoning decision made pursuant to this Code
 30 section shall not be effective until 28 calendar days following the completion of the
 31 process authorized by this Code section and the zoning or rezoning vote by the municipal
 32 governing authority.

33 (9) During the process set forth in this Code section, the municipal corporation may
 34 proceed with notice, hearings, and other requirements for zoning or rezoning in
 35 accordance with the municipality's zoning ordinance.

36 (c) If the annexation, zoning, or rezoning is denied or abandoned based in whole or in part
 37 on the county's objections, the county shall not zone or rezone the property or allow any

1 use of a similar or greater density or intensity to that proposed for the property which had
 2 been objected to by the county pursuant to this Code section for a one-year period after the
 3 denial or abandonment.

4 (d) The process set forth in subsection (b) of this Code section specifies minimum
 5 procedures for addressing objections. However, a county and a municipality may agree to
 6 additional procedures by resolution of the county and municipal governing authorities.
 7 Notwithstanding subsections (b) and (c) of this Code section, any agreement to resolve
 8 county objections to a proposed land use of an area to be annexed into a municipality
 9 which agreement was in effect on January 1, 2004, and which includes a provision whereby
 10 the county and a municipality agree to be bound by the recommendations of an annexation
 11 appeals board shall remain in effect until the parties agree otherwise."

12 SECTION 19.

13 Said title is further amended by striking paragraph (4) of subsection (d) of Code Section
 14 36-66-4, relating to hearings with respect to proposed zoning decisions and procedure on
 15 zoning for property annexed into municipality, and inserting in its place a new paragraph (4)
 16 to read as follows:

17 "(4) The zoning classification approved by the municipality following the hearing
 18 required by this Code section shall become effective on the later of:

19 (A) The date the zoning is approved by the municipality; ~~or~~

20 (B) The date that the annexation becomes effective pursuant to Code Section 36-36-2;

21 or

22 (C) Where a county has interposed an objection pursuant to Code Section 36-36-11,
 23 the date provided for in paragraph (8) of subsection (b) of said Code section."

24 SECTION 20.

25 Said title is further amended by striking paragraph (4) of Code Section 36-70-24, relating to
 26 criteria for service delivery, and inserting in its place a new paragraph (4) to read as follows:

27 "(4)(A) Local governments within the same county shall, if necessary, amend their land
 28 use plans so that such plans are compatible and nonconflicting, or, as an alternative,
 29 they shall adopt a single land use plan for the unincorporated and incorporated areas of
 30 the county.

31 (B) The provision of extraterritorial water and sewer services by any jurisdiction shall
 32 be consistent with all applicable land use plans and ordinances.

33 ~~(C) A process shall be established by each county and every municipality located~~
 34 ~~within each county, regardless of population, to resolve land use classification disputes~~

1 ~~when a county objects to the proposed land use of an area to be annexed into a~~
 2 ~~municipality within the county."~~

3 **SECTION 21.**

4 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
 5 amended by adding a new Code section immediately following Code Section 48-8-121, to
 6 be designated Code Section 48-8-122, to read as follows:

7 "48-8-122.

8 The governing authority of the county and the governing authority of each municipality
 9 receiving any proceeds from the tax under this part or under Article 4 of this chapter shall
 10 maintain a record of each and every project for which the proceeds of the tax are used. Not
 11 later than December 31 of each year, the governing authority of each local government
 12 receiving any proceeds from the tax under this part shall publish annually, in a newspaper
 13 of general circulation in the boundaries of such local government, a simple, nontechnical
 14 report which shows for each project or purpose in the resolution or ordinance calling for
 15 imposition of the tax the original estimated cost, the current estimated cost if it is not the
 16 original estimated cost, amounts expended in prior years, and amounts expended in the
 17 current year. In the case of road, street, and bridge purposes, such information shall be in
 18 the form of a consolidated schedule of the total original estimated cost, the total current
 19 estimated cost if it is not the original estimated cost, and the total amounts expended in
 20 prior years and the current year for all such projects and not a separate enumeration of such
 21 information with respect to each such individual road, street, or bridge project. The report
 22 shall also include a statement of what corrective action the local government intends to
 23 implement with respect to each project which is underfunded or behind schedule and a
 24 statement of any surplus funds which have not been expended for a project or purpose."

25 **SECTION 22.**

26 Said title is further amended by adding a new Code Section 48-5-478.3 to read as follows:

27 "48-5-478.3.

28 A single motor vehicle owned by or leased to a veteran of the armed forces of the United
 29 States who has been awarded the Medal of Honor and who is a citizen and resident of
 30 Georgia and on which such veteran actually places the motor vehicle license plates he or
 31 she receives from the State of Georgia pursuant to Code Section 40-2-68 is hereby
 32 exempted from all ad valorem taxes for state, county, municipal, and school purposes."

SECTION 23.

1
2 (a) Sections 1, 2, 3, 5, 6, 7, 22, this section, and Section 24 of this Act shall become effective
3 upon its approval by the Governor or upon its becoming law without such approval.

4 (b) Sections 4, 16, 17, 18, 19, 20, and 21 of this Act shall become effective on July 1, 2004.

5 (c) Sections 8, 9, 10, 11, 12, 13, 14, and 15 of this Act shall become effective on July 1,
6 2004, and Sections 8, 9, 10, 11, 12, 13, 14, and 15 of this Act shall apply with respect to
7 taxes imposed or to be imposed under any resolution or ordinance adopted by a county or
8 municipal governing authority on or after July 1, 2004; and, except as otherwise specifically
9 provided in this Act, Sections 8, 9, 10, 11, 12, 13, 14, and 15 of this Act shall not apply with
10 respect to taxes imposed or to be imposed under resolutions and ordinances adopted prior to
11 July 1, 2004.

SECTION 24.

12
13 All laws and parts of laws in conflict with this Act are repealed.